



Real October Agent Survey Highlights Growing Optimism Despite Rising Mortgage Rates

November 20, 2024

Agents Say Buyers Most Likely to Compromise on Location to Improve Affordability

TORONTO & NEW YORK--(BUSINESS WIRE)--Nov. 20, 2024-- The Real Brokerage Inc. (NASDAQ: REAX, "Real"), a technology platform reshaping real estate for agents, home buyers and sellers, today released results from its October 2024 Agent Survey. With responses from agents across North America, the survey reveals growing optimism about the next 12 months, even as U.S. mortgage rates remain near multi-year highs. Agents also highlighted the growing importance of buyer trade-offs, such as compromises on location or home features, to overcome affordability challenges in this higher-rate environment.

"Our October survey shows that while affordability remains a major hurdle, optimism among agents is growing because they see opportunities in today's dynamic market," said Tamir Poleg, Chairman and CEO of Real. "Even with elevated mortgage rates, buyers are adjusting their expectations — compromising on location, features, and more — and agents are stepping in to guide them through these trade-offs."

"Affordability challenges are forcing buyers to rethink their options, but this also creates opportunities for agents to provide valuable guidance," said Sharran Srivatsaa, President of Real. "Whether it's helping buyers navigate trade-offs or explore alternative options like renting, success in this market isn't about waiting for conditions to improve — it's about adapting to the market as it is."

Key Survey Findings: Market Trends and Insights

- **Agent Optimism Index Continues to Rise in October:** Agents were asked, "Compared to one month ago, are you more optimistic or pessimistic about the outlook for your primary market over the next 12 months?". Forty-seven percent (47%) of agents reported feeling more optimistic, with an additional 20% feeling significantly more optimistic. This outweighed the 9% feeling more pessimistic and 2% significantly more pessimistic, while 21% remained neutral. The weighted Agent Optimism Index rose slightly to 68.5 in October, up from 67.0 in September, with scores above 50 indicating a net positive outlook. Optimism improved in the U.S. but moderated in Canada.
- **Market Continues to Balance as Buyers Gain Power:** When asked whether their market was a buyer's or seller's market, 35% of agents described their market as a seller's market, down from 38% in September. Meanwhile, the share of agents reporting a buyer's market rose to 27%, marking a year-to-date high and up from 23% in September. Balanced market conditions were cited by 39% of agents, a slight dip from 40% the prior month.
- **Affordability Remains the Largest Hurdle:** Agents overwhelmingly identified affordability as the top challenge for prospective homebuyers, with 57% of respondents citing it as the primary issue, a sharp increase from 48% in September. Inventory constraints held steady at 22%, while economic uncertainty fell to 14% from 20%, likely reflecting a post-election environment.
- **Agents Expect Industry Transaction Declines to Deepen in October:** Agents noted year-over-year declines in North American industry home sale transactions persisted in October. The Transaction Growth Index, which measures year-over-year changes in home sales, dropped to 44.4 in October, down from 46.6 in September, indicating a sharper decline as the index remains below 50.
- **High Mortgage Rates in 2025 Likely to Drive Buyer Trade-Offs:** If 30-year mortgage rates remain between 6% and 7% in 2025, nearly half of agents surveyed (44%) expect prospective home buyers to adapt by compromising on home size, features, or location to make purchases affordable. An additional 20% expect more buyers would move in with family, while 17% foresee increased demand for single-family rentals. A smaller share (7%) anticipate greater interest in multi-family rentals.
- **Location Expected to Be Buyers' Top Compromise:** Faced with affordability challenges, prospective buyers are most likely to compromise on location, according to 38% of agents, suggesting they may consider homes further from city centers or outside their ideal neighborhoods. Twenty-eight percent (28%) of agents expect buyers to settle for fewer or less-updated features, such as older kitchens or bathrooms, while 16% predict compromises on home size. Notably, 12% of agents were unsure how buyers might prioritize their trade-offs, reflecting the complex decisions facing today's homebuyers. These findings underscore the tough decisions buyers face in today's high-rate market.

A summary presentation of these results can be found on Real's investor relations website at the link [here](#).

About the Survey

The Real Brokerage October 2024 Agent Survey included responses from approximately 170 real estate agents across the United States and Canada and was conducted between November 4, 2024 and November 15, 2024. Responses to questions regarding transaction growth and agent optimism

were calibrated on a 0-100 point index scale, with readings above 50 indicating an improving trend, whereas readings below 50 indicate a declining trend. Responses are meant to capture industry-level information and are not meant to serve as an indication of Real's company-specific growth trends. Additionally, given the smaller sample size, there can be greater variability in Canada index results on a month-to-month basis.

About Real

Real (NASDAQ: REAX) is a real estate experience company working to make life's most complex transaction simple. The fast-growing company combines essential real estate, mortgage and closing services with powerful technology to deliver a single seamless end-to-end consumer experience, guided by trusted agents. With a presence in all 50 states throughout the U.S. and Canada, Real supports over 22,000 agents who use its digital brokerage platform and tight-knit professional community to power their own forward-thinking businesses.

Forward-Looking Information

This press release contains forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "likely" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. These statements reflect management's current beliefs and are based on information currently available to management as of the date hereof. Forward-looking information in this press release includes, without limiting the foregoing, expectations regarding the residential real estate market in the U.S. and Canada.

Forward-looking information is based on assumptions that may prove to be incorrect, including but not limited to Real's business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. Real considers these assumptions to be reasonable in the circumstances. However, forward-looking information is subject to known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied in the forward-looking information. Important factors that could cause such differences include, but are not limited to, slowdowns in real estate markets and economic and industry downturns. These factors should be carefully considered and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, Real cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release, and Real assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20241120720225/en/): <https://www.businesswire.com/news/home/20241120720225/en/>

Investor inquiries, please contact:

Ravi Jani

Vice President, Investor Relations and Financial Planning & Analysis

investors@therealbrokerage.com

908.280.2515

For media inquiries, please contact:

Elisabeth Warrick

Senior Director, Marketing, Communications & Brand

press@therealbrokerage.com

201.564.4221

Source: The Real Brokerage Inc.